



**RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 5
AGENDA DATE: 08/06/2009
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SUBJECT: Approve the negotiation and execution of a loan to COMMUNITY PARTNERSHIP FOR THE HOMELESS, INC., or its affiliate, in an amount not to exceed \$2,000,000 under the Rental Housing Development Assistance Program, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to acquire and rehabilitate two properties comprising a total of 46 units of multi-family housing located at 5800 Sweeney Circle and 5711 Manor Road, to serve as affordable rental housing with supportive services to low-income families.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program using proceeds from General Obligation Affordable Housing Bonds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING
DEPARTMENT:** Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION: January 15, 2009 – The Austin Housing Finance Corporation Board authorized negotiation and execution of a loan to Community Partnership for the Homeless for an amount not to exceed \$1,300,000 to acquire and rehabilitate six properties consisting of 24 units of multi-family housing located at 5802, 5804, 5805, 5807, 5809, and 5811 Sweeney Circle, to serve as permanent affordable rental housing with supportive services to low-income families.

Approval of funding will assist Community Partnership for the Homeless (CPH), or its affiliate, with the acquisition and rehabilitation of two properties comprising a total of 46 units of multi-family housing to serve as permanent affordable rental housing with supportive services to low-income families. The two structures include 38 one-bedroom units and eight two-bedroom units.

All units in the project will be preserved as affordable rental housing for 99 years for low-income working families and individuals with yearly household incomes of no more than 50 percent of the Austin area's median family income (MFI - currently \$36,650 for a family of four). Projected monthly

rents are approximately \$575 for one-bedroom units and \$675 for two-bedroom units not to exceed allowable rent limits published yearly by the Texas Department of Housing and Community Affairs. Tenants with Housing Choice Vouchers (Section 8 rent subsidies) will be accepted. Four units will be made accessible for persons with mobility disabilities and two units will be made accessible for persons with hearing or vision disabilities.

The request for financing was received in response to a Notice of Funding Availability (NOFA) under the Rental Housing Development Assistance (RHDA) program. The RHDA program provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. The project is subject to S.M.A.R.T. Housing™ standards and applicable environmental review requirements.

Following Board approval, funds will be provided to CPH in the form of a deferred-payment loan in an amount not to exceed \$2,000,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period contingent upon compliance with the loan agreement. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Private lender	\$ 1,200,000	Predevelopment	\$ 28,000
Owner equity/donations	298,691	Acquisition	1,314,000
RHDA GO Bond	<u>2,000,000</u>	Construction	1,534,400
Total	\$ 3,498,691	Soft costs	<u>622,291</u>
		Total	\$3,498,691

CPH is a non-profit 501(c)(3) organization certified by the City as a Community Housing Development Organization (CHDO). CPH was established in 1990 to provide transitional and affordable housing and services to low-income families and individuals who are either homeless or at risk of being homeless. Since 1990, CPH has provided more than 5,400 individuals and families with case management services, life skills training, single parent training and referral, education and employment training and referral, and legal and health care services.

The requested funding is available in Fiscal Year 2008-2009 budget allocation of the Austin Housing Finance Corporation (AHFC), and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.